

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 04-17
	)	
LESTER H. INOUE and ASSOCIATES	)	
and Lester H. Inouye,	)	
	)	
Respondents.	)	
_____	)	

CONCILIATION AGREEMENT

On or around June 2004, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Lester H. Inouye and Associates and Lester H. Inouye ("Inouye" unless otherwise noted). Inouye is registered with the Business Registration Division as doing business in landscape architecture, planning and urban design, whose business address is 90 Kawananakoa Place, Honolulu, Hawaii. Registration records list Lester H. Inouye as President and Vice-President and Carolyn K. Inouye as Secretary/Treasurer of Lester H. Inouye and Associates, Inc. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Inouye and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.

- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That Respondents acknowledge the contributions to the various campaign committees, but do not admit to any liability for the alleged violations of the campaign spending law or regulations.
- VII. That parties agree to the pertinent facts as follows:
  1. On or around June 2004, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the following candidate campaign committees:
    - a. Ben Cayetano ("Cayetano")
    - b. Jeremy Harris ("Harris")
    - c. Kimo Apana ("Apana")
    - d. Mazie Hirono ("Hirono") andinitiated an investigation involving excess contributions in violation of particular campaign finance statutes.

2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
3. Section 11-204(a)(1)(C), HRS reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
5. The Commission finds that contributions made to candidates by Lester H. and Carolyn K. Inouye, family members, employees and friends include:
  - a. Kathleen (cousin of Carolyn Inouye) and Norman Inouye
  - b. Mildred and Louis Nakagawa, parents of Kathleen Inouye)

- c. Maura (sister of Kathleen Inouye) and Wallace Tanaka
- d. Lisa (Daughter of Maura Tanaka) and Timmy Tengan
- e. Colleen Carson, daughter of Norman and Kathleen Inouye
- f. Eileen & Alan (cousin of Carolyn Inouye) Masuda
- g. Marshall and Fusae Tanaka, parents of Eileen Masuda
- h. Richard M. Kuge, friend of Lester Inouye
- i. Marge S. Kinoshita, friend of Richard Kuge
- j. Beth Lei (daughter of Marge Kinoshita) and Todd A. Rohm

6. The Commission finds that Inouye, family and friends made contributions to Cayetano in the amount of \$7,500 including contributions by:

Norman Inouye	12/31/97	\$ 500
Carolyn Inouye		\$1,000
Katheleen Inouye		\$ 500
Louis Nakagawa		\$ 500
Mildred Nakagawa		\$ 500
Wallace Tanaka	12/31/97	\$ 500
Maura Tanaka		\$ 500
Timmy Tengan		\$ 500
Lisa Tengan		\$ 500
Marge Kinoshita	10/07/98	\$ 500
Richard M. Kuga	10/07/98	\$ 500
Eileen T. Masuda		\$ 500
Todd Rohm		\$ 250
Beth Lei Rohm		\$ 250
Marshall Tanaka		\$ 250
Fusae Tanaka		\$ 250

7. The Commission finds that Inouye, family and friends made contributions to Harris in the amount of \$20,950, including contributions by:

Kathleen L. Inouye	8/19/96	\$ 700
Mildred Nakagawa		\$ 600

Maura Tanaka		\$ 700
Carolyn Inouye	1/20/97	\$1,000
Colleen Carson	9/25/97	\$ 500
Eileen Masuda	9/25/97	\$ 700
Mildred Nakagawa		\$ 500
Maura Tanaka		\$ 500
Marge Kinoshita	6/29/98	\$ 500
Richard Kuga		\$ 500
Eileen Masuda		\$ 500
Todd Rohm		\$ 500
Eileen Masuda	6/04/99	\$ 500
Fusae Tanaka	6/05/99	\$ 500
Kathleen Inouye	6/24/99	\$ 750
Mildred Nakagawa		\$ 750
Richard Kuga	6/27/99	\$1,000
Maura Tanaka		\$1,000
Timmy Tengan	6/27/99	\$1,000
Carolyn Inouye	6/28/99	\$1,000
Lester Inouye	12/28/99	\$1,000
Richard Kuga	4/03/00	\$ 500
Eileen Masuda		\$ 500
Fusae Tanaka	4/03/00	\$ 500
Maura Tanaka	4/11/00	\$ 500
Lester Inouye	4/12/00	\$ 500
Carolyn Inouye	9/14/00	\$ 250
Colleen Carson	12/14/01	\$ 500
Kathleen Inouye	12/14/01	\$ 500
Mildred Nakagawa		\$ 500
Maura Tanaka		\$ 500
Lisa Tengan		\$ 500
Lester Inouye	12/19/01	\$ 500

8. The Commission finds that Inouye and family members made contributions to Apana in the amount of \$3,500, including contributions by:

Colleen Carson	7/01/01	\$ 500
Kathleen Inouye		\$ 500
Lester Inouye	7/02/01	\$1,000
Mildred Nakagawa	7/01/01	\$ 500
Maura Tanaka	7/02/01	\$ 500

Lisa Tengan                      7/02/01                      \$ 500

9.        The Commission finds that Inouye and family members made contributions to Hirono in the amount of \$3,300, including contributions by:

Carolyn Inouye	9/22/97	\$ 300
Eileen Masuda	10/14/98	\$1,000
Fusae Tanaka		\$1,000
Lester Inouye	4/25/98	\$1,000

10.      That Inouye did not file an organizational report pursuant to section 11-194, HRS.
11.      That Inouye did not file disclosure reports pursuant to sections 11-212 and 11-213, HRS.

#### VIII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #04-17, Inouye understands and agrees to the following:

- (A)      Inouye agrees to an assessment of **Twenty-four Thousand Dollars (\$24,000)** pursuant to section 11-228, HRS.

- (1)      For violation of section 11-204, HRS, making excess campaign contributions to the Cayetano and Harris campaign committees,
- (2)      For violation of section 11-202, HRS, making false name campaign contributions to each of the candidates, and

(3) For failure to file an organizational report and required disclosure reports pursuant to sections 11-212 and 11-213, HRS.

(B) Inouye agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.

(C) Terms of payment of the assessment shall be by Order of the Commission.

IX. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

X. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

XI. This Agreement constitutes the entire agreement between the Commission and Inouye on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

XII. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

**FOR THE COMMISSION:**

Robert Y. Watada, Executive Director

By: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE RESPONDENT(S)**

Lester H. Inouye

By: \_\_\_\_\_

(Name)

(Title)

Date: \_\_\_\_\_